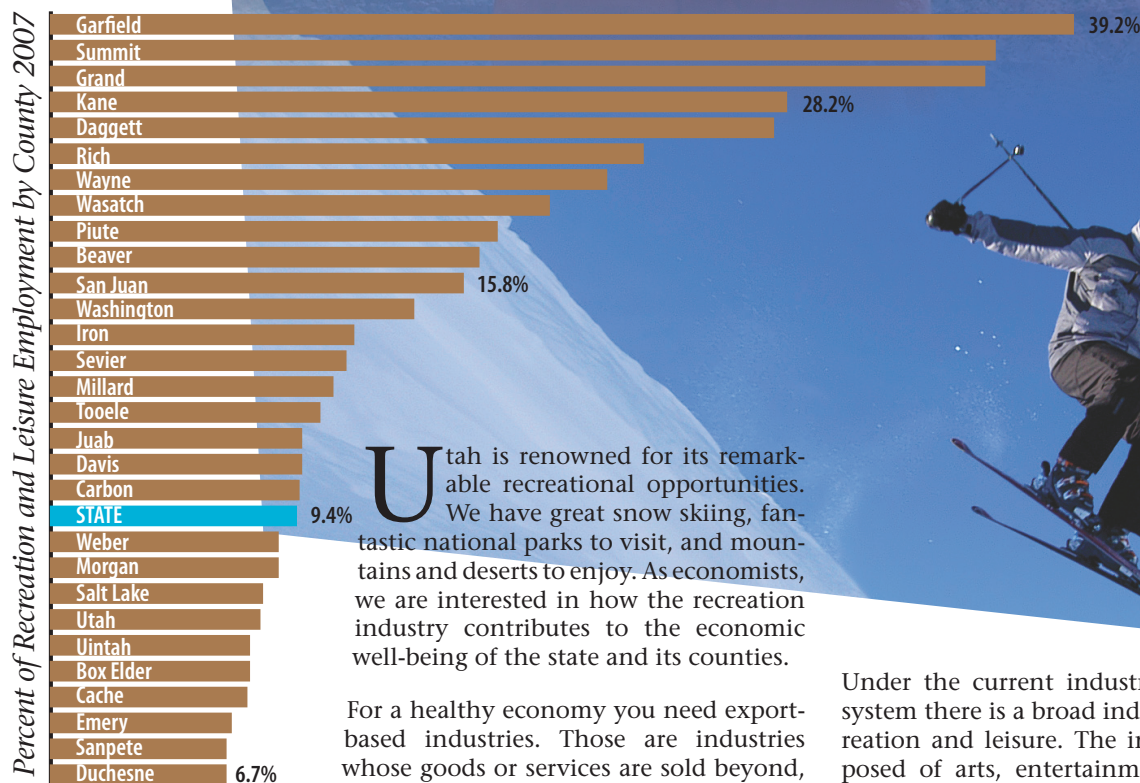


Utah's Recreation Industry Continues to Grow

although suffering through ups and downs of economy



Source: Utah Department of Workforce Services

Utah is renowned for its remarkable recreational opportunities. We have great snow skiing, fantastic national parks to visit, and mountains and deserts to enjoy. As economists, we are interested in how the recreation industry contributes to the economic well-being of the state and its counties.

For a healthy economy you need export-based industries. Those are industries whose goods or services are sold beyond, or outside, of the needs of the local economy. Recreation is actually an export industry. Instead of selling something outside our borders, we attract people from outside of Utah to come and enjoy what we offer. In doing so, they spend money for food, lodging, rentals, and souvenirs, which stays in the local economy.

Under the current industry classification system there is a broad industry called recreation and leisure. The industry is composed of arts, entertainment, recreation, accommodations, and food services. This is obviously a narrow definition, but reflects the idea that most visitors to an area will use food and lodging and participate in some form of recreation. Sadly, it fails to capture many other aspects related to the recreational industry, such as transportation services, some aspects of retail trade,

Recreation is actually an export industry.

and auto rentals, to mention just a few. Another issue is that local residents also use these services, especially food services, making the contribution of visitors more difficult to determine.

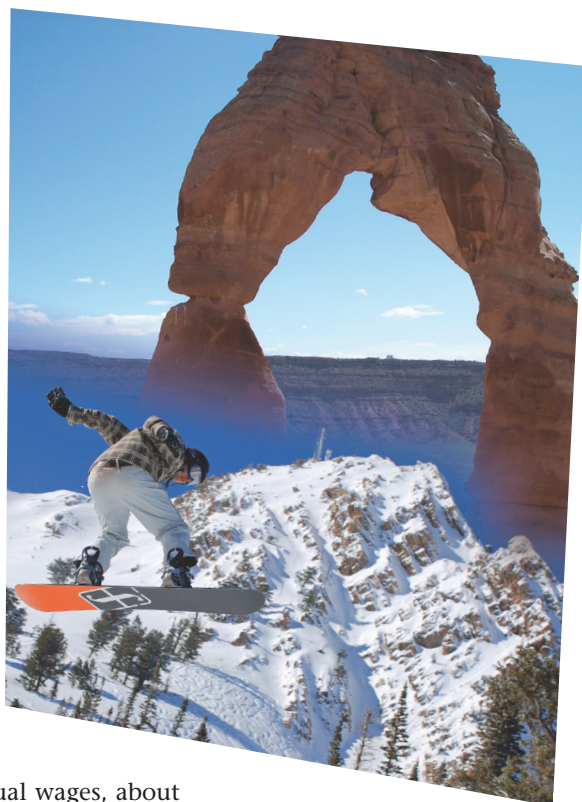
Still, the recreation and leisure category provides a pretty good look at dynamics in the industry and some of the challenges that are related to it. Statewide, in 2007, about 9.4 percent of total nonfarm employment was in the recreation and leisure industries. However, in some of Utah's counties, particularly the nonurban areas, this industry accounts for a much higher percentage. In fact, only 10 counties have a percent share below the state average.

The major challenge related to this industry is low annual wages, about \$15,200 statewide in 2007, compared to total nonfarm average of \$36,500. Several factors help explain this; one is the seasonal nature of the employment. Most areas have a peak season and an off-season and this limits the economic impact of the industry. Also, many occupations are low-skilled and low-wage and are filled by many part-time workers.

Utah's recreation industry will continue to grow, though it will suffer through the ups and downs of the overall economy. Because of the importance of this industry off the Wasatch Front, its development will continue to play an important role in the economies of rural Utah. ⓘ

For more information check out these links:

- http://travel.utah.gov/research_and_planning/index.html
- <http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do>
- <http://jobs.utah.gov/jsp/wi/utalmis/gotoIndustry.do>



Numeric Change in Recreation and Leisure Employment in Nonurban Utah, 2001-2008 by Month

